

ECONOMIC DEVELOPMENT COMMITTEE

DATE: March 3, 2004

CALLED TO ORDER: 5:04 p.m.

MEETING ADJOURNED: 6:06 p.m.

ATTENDANCE

PRESENT MEMBERS

Joanne Sanders, Chair
Patrice Abdullah
Ginny Cain
Lonnell Conley
Mary Moriarty Adams
Isaac Randolph

ABSENT MEMBERS

Marilyn Pfisterer

AGENDA

PROPOSAL NO. 98, 2004 - appoints Christie Gillespi to the Indianapolis Economic Development Commission
"Do Pass"

Vote: 6-0

Melina Kennedy, Director of Economic Development, City of Indianapolis
Economic Development Policies and Tax Incentive Programs

Jeb Conrad, Executive Director, Indianapolis Economic Development - Indy Partnership
Local Initiatives

ECONOMIC DEVELOPMENT COMMITTEE

The Economic Development Committee of the City-County Council met on Wednesday, March 3, 2004. Chair Joanne Sanders called the meeting to order at 5:04 p.m. with the following members present: Patrice Abdullah, Ginny Cain, Lonnell Conley, Mary Moriarty Adams, and Isaac Randolph. Absent was Marilyn Pfisterer. Also present were Councillors Vernon Brown, Bob Cockrum, Monroe Gray, Earl Salisbury, and Scott Keller. Representing Council staff were Aaron Haith, General Counsel, and Kent Burrow, Chief Financial Officer.

Chair Sanders asked that each member of the Committee introduce themselves to the public.

Councillor Randolph represents District 1; Councillor Cain represents District 5; Councillor Moriarty Adams represents District 17; Councillor Conley represents the entire county at-large; and Councillor Abdullah represents District 15.

Chair Sanders pointed out that Councillor Pfisterer was not in attendance and that she represents District 14.

PROPOSAL NO. 98, 2004 - appoints Christie Gillespi to the Indianapolis Economic Development Commission

Ms. Gillespi explained that she has spent her professional career in non-profit businesses for 15 years. She said that she focused on local government and community economic development. The first five years of her career was with the Indiana Association of Cities and Towns in Membership Services. She has recently been working on community economic development and affordable housing issues. She was executive director of the Community Alliance of the Far Eastside (CAFÉ), which is a local Community Development Organization (CDC). She is interested in this Commission because she has interest in both community economic development and affordable housing issues. She currently serves on the Board of the Indianapolis Neighborhood Resource Center and the Community Organization Legal Action Assistance Project.

Councillor Randolph moved, seconded by Councillor Cain, to send Proposal No. 98, 2004, to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 6-0.

Melina Kennedy, Director of Economic Development, City of Indianapolis
Economic Development Policies and Tax Incentive Programs

Ms. Kennedy explained that she works with City of Indianapolis departments on economic development projects. She said that one of the most conventional tools at her disposal for economic development is tax abatements. Tax abatements are abatements on qualified investments in real and/or personal properties. This is an Indiana State Statutory tool that has provisions that are implemented on the local level. There are abatements that can be available

for both real and personal property investments. They do need to be qualified real property and qualified personal property. In other words, not any type of personal property is automatically eligible. She noted that tax abatement are abatements only on the new increment. A tax abatement never provides going backward in an existing tax base. It only applies to the new increment that is associated with a new capital investment. Tax abatement can be provided for a period of one to ten years.

Chair Sanders asked Ms. Kennedy to tell the Committee what the State Statute code number is. Ms. Kennedy replied that I.C. 6-1.1-12.1 is the State Statute.

Ms. Kennedy stated that while tax abatements are created through State law, they are implemented and then administered on the local level. The Metropolitan Development Commission (MDC) is the administrative body that works with the City of Indianapolis and actually implements the tax abatements. She said that the factor that is looked at from a public policy standpoint includes several things that she believes are criteria that would make it such that a project really would be worthy of public investment through tax abatement. Some of the conventional factors include jobs that the projects may bring and the size of the investment.

Ms. Kennedy pointed out that The Indy Partnership is a critical component of the economic development efforts in Marion County. It is their mission to make certain that they are constantly working towards bringing new businesses and helping the ones that are already here grow and expand.

Councillor Abdullah asked what percentage of abatements has the City done thus far. Ms. Kennedy replied that she will provide the Committee with the information at a later time.

Councillor Randolph asked what the City's position is on future plans for Lafayette Square. Ms. Kennedy responded that there is program that the City is pursuing in Lafayette Square that is outside of the boundaries of tax abatement and that is called Community Revitalization Enhancement District (CRED). This is what the State Legislature passed a few years ago but Indianapolis was not eligible for a CRED District until the last legislative session. When the City of Indianapolis did become eligible to select one area to take advantage of the CRED District, they selected the Lafayette Square area for that program. Pursuant to the statute to implement the CRED District the mayor of Indianapolis must appoint an advisory commission. The advisory commission is meeting to try and put together all of the criteria that the statute requires to actually move the CRED District forward. Once the CRED is approved it must go to a State of Indiana regulatory process for approval. This will provide the ability for the City to collect on certain State revenue streams that would normally go to the State. As part of the CRED statute there is a business investment tax credit that is available for CRED areas.

Councillor Randolph asked if the advisory board generated any documents. Ms. Kennedy replied that she will make certain that the Committee is provided the documents. Councillor Randolph asked if Ms. Kennedy could elaborate on a new Indianapolis Colt's stadium. Ms.

Kennedy responded that Mayor Bart Peterson and Deputy Mayor Mike O'Connor would be the points of contact for questions relative to a stadium.

Jeb Conrad, Executive Director, Indianapolis Economic Development Indy Partnership
Local Initiatives

(Clerk's note: Mr. Conrad distributed to the Committee a packet of information regarding Indy Partnership. This information is on file in the Council office.)

Mr. Conrad introduced Greg Schenkel, president of Indy Partnership and Suzanne Vertesch, executive vice president of Indy Partnership.

Ms. Vertesch stated that the mission of Indy Partnership is to serve as a catalyst for increased capital investment and quality job growth in the Indianapolis region. She said that Indy Partnership is a relatively new organization. Indy Partnership was founded in November 2000. The idea of regional economic development, however, is much older than that. She has worked in economic development since 1989 on the state and local levels. Three years ago, the counties did come together along with the private sector in this region and decided to "get on the map" nationally, as a market. When a client or a prospect looks to relocate or move a business or expand a business, they often choose Indianapolis. Indy Partnership was fortunate to raise \$15.5 million in their capital campaign three years ago for a five-year operating cycle. They are now in their fourth year of that cycle. Indy Partnership has a \$3 million/year budget. It is a combination of public and private sector funding. Each of the member counties contributes to this fund. Each county, as part of their regional marketing effort, gives Indy Partnership 10 cents per capita. This comes to Indy Partnership from the local economic development office.

Mr. Conrad explained that Indianapolis Economic Development is the local economic development office. They work closely with the City of Indianapolis on all issues. Their goal is to try to find opportunities to retain, attract, and expand businesses inside Marion County. Those could be through solicitation and facilitation of state and local incentives. They could be through programs on the real estate side. The Indy Partnership provides specialized knowledge for companies and site selection consultants to make informed business location decisions. The Indy Partnership staff provides expertise in taxes, incentives, real estate, international relations, and data collection. In addition, they partner with economic development executives in the nine-county Indianapolis region. The local economic development partners also have extensive knowledge in the market. Mr. Conrad pointed out that through regional marketing, Indy Partnership can attract new business through aggressive sales programs.

Mr. Conrad stated that the experienced staff can personally guide tenants and prospects through their next relocation or expansion. The Indy Partnership will assist with the following:

- State and local incentives
- Existing business initiatives
- Supplier linkages/targeted recruiting
- Research and data
- Marketing
- Networking
- Access to city-owned properties
- Regulatory services/permitting assistance
- Communication with city/state leaders

Ms. Vertesch explained that the objective of the Client Services team is to execute an aggressive sales program for new business development in the Indianapolis region.

Tactic 1: Develop and execute lead generation programs.

- Contract with consultants to identify companies to target in sales efforts
- Execute Supplier/Vendor program
- Execute “Up-Selling” program
- Execute California program with IDOC
- Continue and expand New Indiana program

Tactic 2: Develop sales opportunities through national trade shows, conferences and events.

- Attend at least five trade shows/conferences
- Execute corresponding sales activity including pre-show direct mail and calls, appointments during show and post-show follow-up
- Out of market visits to the Indianapolis region for consultants and clients
- Special events in key markets such as New York, Chicago, etc. These events may be in association with a trade show/conference, New Indiana or may serve as an alternative to individual meetings

Tactic 3: Travel to proactively sell the Indianapolis region for new business development.

- Conduct at least six trips for face-to-face visits
- Travel

Tactic 4: Develop the region’s growing life sciences sector.

- Develop strong relationships with local companies, universities, BioCrossroad, and other key industry players
- Develop national and international recruitment program

Tactic 5: Serve as the regional single point-of-contact for all business development clients.

- Acknowledge all requests within 24 hours

- Meet or exceed deadlines for request for proposal (RFP's), and other detailed information requests
- Aggressively follow up with clients to ensure that their expectations are exceeded
- Provide expertise in incentive negotiation, real estate, tax information, etc.
- Communicate regularly with LEDO partners and other appropriate parties regarding all client activity

Ms. Vertesch stated that the goal of the communications/market program, supported by research and public relations, is to establish a clear identity for the region that can benefit employer recruitment and attract capital investment.

Tactic 1: Beginning in January, launch a targeted national advertising campaign. Ad placement strategy will also coordinate with sales staff travel, trade shows, conferences and major initiative announcements. Public relations efforts will maximize the ad investment through proactive story placements that will create a buzz.

Tactic 2: Create a program that provides ongoing visibility and continuity among key target groups. Included in this program are key print and broadcast opportunities.

- Update primary brochures
- Create sales and leave behind materials to support sales staff, including a regional sales video, Power Pointe and compact disc presentations
- Create five industry-specific marketing pieces and update industry research papers
- Create monthly direct mail pieces to support the campaign and sales efforts
- Create television and radio spots to run nationally and locally
- Upgrade primary magazine/guide with a targeted distribution plan

Tactic 3: Conduct an ongoing media relations program that reaches a broad cross-section of the target audiences, communicating the benefits and personality of the region.

- Package stories and pitch to target national trade publications
- Package stories and pitch to publications distributed during trade shows, conferences, etc.
- Package stories and pitch to in-flight magazines

Tactic 4: Conduct a public relations program that maintains visibility and fosters support for the regional marketing effort. An inter-region public relations program will be an equally important part of the campaign.

- It is important that stakeholders and opinion leaders continue to be collectively supportive of the vision
- It is important for organizations who invest in the campaign to see activity at the local level
- Hold quarterly editorial briefings
- Distribute quarterly op-ed articles
- Form media partnerships with local television/radio stations and newspapers
- Schedule interviews for chief executive officer, board members and investors with television, radio and newspapers. Create keynote/panel speaking opportunities for same

- Through online media source monitor story opportunities utilizing publication editorial calendars. Research editors in search of information on economic development

Tactic 5: Promote region through the Internet.

- Enhance content of The Indy Partnership web site to include a press site, image library and story database
- Coordinate region banner campaign on key web sites, such as high tech, airlines, etc
- Work with regional companies to incorporate links from their web sites to our regional web site
- Create county-specific promotional pages

Tactic 6: Provide overall research support for marketing, sales staff and LEDOS.

- Proactive update and upgrade of data collection methods and resources
- Continue development of the "Information Warehouse" as the primary source for regional statistical data
- Refine data and provide summary information to be used by sales and marketing staff

Ms. Vertesch pointed out that the next objective is to provide existing business retention, expansion and location services in Indianapolis/Marion County.

Tactic 1: Provide outstanding customer service through the project management process to internal and external clients.

- Provide all businesses interested in expanding or locating in Indianapolis with support including real estate information, local and state business assistance direction and incentive information
- Provide City of Indianapolis with due diligence, detailed summary, and analysis of project for local incentive determination on an ongoing basis
- Provide Mayor's Office with a monthly update regarding ongoing projects and programs
- Pursue continuing education opportunities to ensure staff utilizes industry best practices in approach to client management

Tactic 2: Implement aggressive outreach program to existing businesses and develop new business attraction opportunities.

- Complete 400 existing business face-to-face meetings with Indianapolis companies
- Conduct monthly direct mailing to existing businesses
- Participate in trade show in cooperation with Client Services
- Participate in two national sales trips, with Client Services, to attract new businesses, particularly headquarter projects
- Pursue supplier linkages programs by leveraging local relations in other markets

Tactic 3: Participate in special initiatives and programs impacting economic and workforce development and the local business environment.

- IED programs
- Community programs

Tactic 4: Ensure that marketing, research and communications functions, in cooperation with The Indy Partnership marketing staff efforts, support, complement and enhance IED activities.

- Develop and distribute IED collateral information including marketing brochures and resource guide
- Create, promote and maintain IED web site
- Create opportunities for positive editorial placement in local and national publications
- Strategically pursue advertising opportunities to enhance and fortify City's image
- Create, maintain and promote IED-specific sales presentations
- Create and distribute quarterly IED newsletter, "Pulse of the City"

(Clerk's note: Councillor Moriarty Adams left at this time, 5:55 p.m.)

Ms. Vertesch stated that because The Indy Partnership is an investor-supported organization, it is imperative that they maintain strong communications with their stakeholders and partners.

Tactic 1: Create at least one direct mail or email per month with investors and partners.

Tactic 2: Hold regular meetings with investors and partners.

- Host investor briefings
- Hold Advisory Board meetings with LEDOs and partners
- Hold quarterly IED Advisory Board meetings
- Hold monthly meetings with Board of Directors/Executive committee, including the annual meeting

Tactic 3: Create new opportunities for revenue growth, both through current and new investors and through non-investment strategies.

- Involve board members and volunteers in fundraising efforts including identification of new investors, relationship management of existing investors and constant evaluation of value provided to investors
- Explore opportunities to provide services and complete special projects on a contractual basis
- Identify projects that may qualify for IREDP Foundation funding
- Begin planning for capital campaign for next funding cycle

Tactic 4: Host clients at special events in the Indianapolis market to include the Indy 500, Brickyard 400, and U.S. Grand Prix.

Councillor Randolph asked if The Indy Partnership has discussed a regional taxing district. Ms. Vertesch replied in the negative.

Chair Sanders thanked the speakers for their presentations.

Economic Development Committee

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CONCLUSION

With no further business pending, and upon motion duly made, the Economic Development Committee was adjourned at 6:06 p.m.

Respectfully submitted,

Joanne Sanders, Chair
Economic Development Committee

JS/sm